

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 564 - HB 585

February 27, 2017

SUMMARY OF BILL: Authorizes a nonprofit medical college educational institution located in Shelby or Davidson County to claim and file an application for property tax exemption up to three years prior to the date of application or the date the institution began to use the property for exempt purposes, whichever is later.

ESTIMATED FISCAL IMPACT:

Decrease Local Revenue - \$735,100/FY17-18/Davidson County

Increase Local Expenditures - \$130,700/FY17-18/Davidson County*

Assumptions:

- This analysis assumes institutions eligible for a property tax exemption under this legislation will file and be granted an exemption.
- Based on information provided by the State Board of Equalization, one nonprofit medical college education institution would immediately benefit from this legislation.
- Based on information provided by the Metropolitan Government of Nashville and the Davidson County Assessor's Office, there are three parcels qualifying for a property tax exemption under this legislation located in Davidson County and owned by Meharry Medical College.
- Based on information provided by the Metropolitan Government of Nashville and the Davidson County Assessor's Office, 2014 property taxes have been paid on all three parcels, resulting in \$130,666 in revenue to Davidson County; however, property taxes for 2015 in the amount of \$354,719 and for 2016 in the amount of \$380,359 have not yet been paid.
- This legislation will result in a mandatory one-time increase in local expenditures to Davidson County of \$130,666 in FY17-18 for the repayment of 2014 property taxes to Meharry Medical College.
- This legislation will result in a decrease of local revenue to Davidson County totaling \$735,078 (\$354,719 + \$380,359) in FY17-18.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/amj